McGovern Says ITT Had No Tax

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Sen. George S. McGovern (D-S.D.) said yesterday that the International Telephone and Telegraph Corp. paid no income taxes last year and listed a $400,000 contribution to the Republican National Convention as a deductible business expense. But he later said he had made a mistake about the deduction.

His remarks came on a day when a key figure in the ITT controversy, company lobbyist Dita D. Beard, said in a television interview that Sen. Vance Hartke (D-Ind.) thought of the huge firm as "a sort of personal taxicab company." end insert

McGovern, appearing on "Face the Nation" (CBS, WTOP), said a Securities and Exchange Commission report not only "shows that they (ITT) paid no taxes at all last year, but it also shows that they listed as tax deductible the $400,000 they contributed to the Republican National Convention . . ."

The senator's presidential campaign organization in Milwaukee later issued a statement affirming the charge about the company's tax position but not the comment on the $400,000 contribution.

"As to the payment of $400,000 for the Republican National Convention, that payment does not appear in the SEC reports," the statement said.

"Senator McGovern's statement that it was included was based on statements by company officials that they considered it a proper business expense and that they would rely on the opinion of counsel to that effect ... and would apply it as a deductible offset against income."

"It was a honest mistake," McGovern commented.

The statement by his campaign office said SEC documents made public last week indicated that for the years 1968, 1969, and 1970 "the corporation as a whole was in a net nonpayment situation with respect to federal corporate income taxes" although some subsidiaries may have paid taxes.

ITT, which the statement said had annual profits of more than $300 million during the years in question, had no comment on the McGovern charges yesterday.

An SEC spokesman said the agency's records would not be accessible until Monday.

Mrs. Beard, interviewed on "60 Minutes" (CBS, WTOP), acknowledged that congressmen were allowed use of the ITT plane "when it serves our purposes." She left her Denver hospital for the Saturday taping of the interview, and then returned to her hospital room.

She was asked if she had complained to Susan B. Lichtman, a former secretary, "Look, all these people want to use our planes all the time, don't they know that the company has to use the planes, too?"

Replied the lobbyist: "Well, I did because I was getting calls from people who wanted ... the gentleman she mentioned felt like this was a sort of personal taxicab company."

"The gentleman," she said, was Sen. Hartke.